

July 30, 2025

Gateway Office Parks Private Limited: Rating reaffirmed; outlook revised to Negative

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	1074.0	1074.0	[ICRA]BBB- reaffirmed; outlook revised to Negative from Stable
Long-term – Non-fund based – Bank guarantee	61.0	61.0	[ICRA]BBB- reaffirmed; outlook revised to Negative from Stable
Total	1135.0	1135.0	

*Instrument details are provided in Annexure I

Rationale

The revision in outlook to Negative from Stable on the long-term rating of Gateway Office Parks Private Limited (GOPPL) factors in the modest ramp-up in the occupancy levels resulting in moderate debt coverage metrics for its commercial asset, Gateway Office Parks. While the asset's occupancy improved to 46% as of July 2025 (from 37% as of February 2024), supported by demarcation of around 1 lakh sqft of area as non-SEZ, it continues to be modest. This, along with high total external debt levels result in moderate debt coverage metrics. ICRA notes that the sponsor, Xander Group, has been ensuring liquidity support in a timely manner to aid any funding requirements. The company has entered into an agreement to sell a non-core asset (undeveloped land parcel) for around Rs. 100 crore with the entire sale proceeds to be realised in the next six months. This, coupled with additional liquidity support of Rs. 20-22 crore from the sponsor in the next 1-2 months, is expected to support the liquidity position.

While the company is in discussions with prospective tenants and has plans to further denotify the SEZ area to non-SEZ, the significant ramp-up in the occupancy at adequate rentals remains a monitorable. The rating continues to be constrained by the company's revenue concentration, with dependence on a single asset in Chennai, thereby exposing the entity to fluctuations in a single asset/market's performance. The tenant concentration is also high with the top three tenants contributing to around 68% of the leased area as of March 2025. The debt coverage ratios remain sensitive to adverse movements in interest rates and occupancy levels.

The rating factors in the operational track record of the asset, its presence in an IT-SEZ area in the business district in Perungalathur, Chennai. Though the tenant concentration risk remains high, the tenant profile of the company is strong and comprises reputed multinational companies, which moderates the counterparty risks to some extent. The rating also considers the strong promoter profile of the Xander Group, which has a track record of almost 20 years in India. The Group has a presence across commercial, retail and industrial segments of the real estate sector.

Key rating drivers and their description

Credit strengths

Operational track record of asset: The operational property is spread over 3.5 million square feet (msf) of leasable area. It is located in the IT-SEZ in Perungalathur, Chennai, in Peripheral Business District (PBD). Given the quality of development and the favourable location, GOPPL has leased space to reputed IT companies, which mitigates the counterparty risks to some extent.

Sponsored by the Xander Group which has presence across commercial, retail, and industrial segments of the real estate sector: GOPPL is sponsored by the Xander Group, which has a track record of almost 20 years in India. The Group has presence across commercial, retail and industrial segments of the real estate sector. The ratings favourably factors in the Sponsor commitment in providing expected fund infusion to the company.

Credit challenges

High leverage and moderate debt coverage metrics: The modest ramp-up in the occupancy levels resulted in moderate debt coverage metrics for its commercial asset- Gateway Office Parks. While the asset's occupancy improved to 46% as of July 2025 (from 37% as of February 2024), supported by demarcation of around 1 lakh sqft of area as non-SEZ, it continues to remain modest. This, along with high total external debt levels results in moderate debt coverage metrics. ICRA notes that the sponsor, Xander Group, has been ensuring liquidity support in a timely manner to aid any funding requirements. The company has entered into an agreement to sell a non-core asset (undeveloped land parcel) for around Rs. 100 crore with the entire sale proceeds to be realised in the next six months. This, coupled with additional liquidity support of Rs. 20-22 crore from the sponsor in the next 1-2 months, is expected to cushion its liquidity position. While the company is in discussions with prospective tenants and has plans to further denotify the SEZ area to non-SEZ, the significant ramp-up in the occupancy at adequate rentals remains a monitorable.

High market and revenue concentration risks: The company's revenue concentration risk is high with dependence on a single asset in Chennai, thereby exposing the entity to fluctuations in a single asset/market's performance. The tenant concentration is also high with the top three tenants contributing to around 68% of the leased area as of March 2025. The ability of the company to tie-up new leases at adequate rentals, in a timely manner, remains a key monitorable.

Liquidity position: Stretched

The company's liquidity position is stretched with free cash and bank balance of Rs 16.5 crore (excluding encumbered balance of Rs. 70 crore) as of March 2025. The company has external debt repayment obligations of around Rs. 106 crore in FY2026 and while the debt coverage metrics are expected to remain moderate in the near term, any shortfall is expected to be met from the on-balance sheet liquidity and funding support from the sponsor (Xander Group).

Rating sensitivities

Positive factors – The outlook can be revised to stable from negative if the company is able to achieve significant improvement in its coverage metrics and liquidity position through ramp-up in occupancy along with adequate rental rates.

Negative factors – Negative pressure on the rating could arise in case of the company's inability to ramp-up occupancy leading to weakening of coverage and liquidity position. Further, higher-than-expected indebtedness or delay in expected fund infusion from the sponsor may also result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Lease Rental Discounting (LRD)
Parent/Group support	NA
Consolidation/Standalone	Standalone

About the company

Gateway Office Parks Pvt Ltd (formerly known as Shriram Properties & Infrastructure Pvt Ltd) is a special purpose vehicle (SPV), acquired by The Xander Group in June 2017 from the Shriram Group and Sun Apollo Real Estate. The company owns a commercial property named Gateway Office Parks, located in the IT-SEZ in Perungalathur, Chennai, with 3.5 msf of leasable area.

Key financial indicators (audited)

	FY2024	FY2025*
Operating income	125.2	139.8
PAT	-123.5	-105.2
OPBDIT/OI	49.5%	51.7%
PAT/OI	-98.7%	-75.3%
Total outside liabilities/Tangible net worth (times)	-9.2	-5.3
Total debt/OPBDIT (times)	17.2	15.5
Interest coverage (times)	0.63	0.73

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amounts in Rs. crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2026)					Chronology of rating history for the past 3 years					
FY2026					FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	1074.0	30-Jul-25	[ICRA]BBB- (Negative)	26-Apr-24	[ICRA]BBB- (Stable)	21-Apr-23	[ICRA]BBB (Negative)	20-Apr-22	[ICRA]BBB+ (Negative)
Bank Guarantee	Long term	61.0	30-Jul-25	[ICRA]BBB- (Negative)	26-Apr-24	[ICRA]BBB- (Stable)	21-Apr-23	[ICRA]BBB (Negative)	20-Apr-22	[ICRA]BBB+ (Negative)
Unallocated	Long term	-	-	-					20-Apr-22	[ICRA]BBB+ (Negative)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Term loan	Simple
Long-term – Non-fund based – Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Term loan	December 2022	8.8%	FY 2037	1074.0	[ICRA]BBB- (Negative)
NA	Bank Guarantee	December 2022	-	-	61.0	[ICRA]BBB- (Negative)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

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